**Excise duty on ex-factory value of certain commodities**

224. SHRI SHANTIMOY GHOSH: Will the Minister of FINANCE be pleased to state the percentage of excise duty on ex-factory value of sugar, tea, tobacco, kerosene, toilet soap, cotton textile and matches in 1981-82 and in 1985-86?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): *Approximate incidence of Excise duty as percentage of Ex-Factory ex-Duty value during* 1981-82 *and* 1985-86.

| Sl. No. | Commodity | Average incidence during 1981-82 | Average incidence during 1985-86 |
|---|---|---|---|
| 1 | Sugar (i) Levy sugar | 13·16% | 11·09% |
| | (ii) Free sale sugar | 15·9% | 9·52% (Sept. 85) |
| 2 | Tea (i) Loose tea | 6% | 3·6% |
| | (ii) Package tea | 11% | 5·6% |
| 3 | Tobacco (i) Cigarettes | Different rates average 350% approximately | Different rates-average 450% approximately |
| | (ii) Biris | 20% | 16·6% |
| 4 | Kerosene | 22% | 20% |
| 5 | Toilet soap | 15·75% | 15% |
| 6 | Cotton Fabrics | Different rates varying from Nil to 17.8% | Different rates varying from Nil to 13.20% |
| 7 | Matches (i) Mechanised Sector | 45% | 22% |
| | (ii) Non-mechanised sector | N.A. | 21% |
| | (iii) Cottage Sector | 15% | 11% |

NOTE: Duty on Tea, Matchs, Kerosene, Biris during 1981-82 and 1985-86 and on Cigarettes and Sugar during 1985-86 are at specific rates. The duty incidence varies depending on the quality, place and date. The incidence is only indicative of the order of magnitude.

225. [*Transferred to the 31st July*, 1986]

**Increase in non-developmental Expenditure**

*226. SHRI VALAMPURI JOHN: Will the Minister of FINANCE be pleased to state:

(a) what is the total non-developmental expenditure during the last ten years, year-wise;

(b) what is the extent of rise in the non-developmental expenditure from 1974-75 to 1984-85;

(c) whether it is a fact that the administrative expenditure is doubling every four to five years and there is a possibility of doubling in every three years hereafter; and

(d) if so, what specific steps Government have taken so far to slash down the erratic increase in the non-developmental expenditure?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE (SHRI B. K. GADHVI): (a) A statement is placed on the Table of the House. (*See below*)

(b) From 1974-75 to 1984-85 the main components of non-developmental expenditure namely Defence, Interest Payments, Police, and Food subsidy increased from Rs. 3570 crores to Rs. 14794 crores. Other non-developmental expenditure including non-development grants and loans to States and Union Territories increased during this period from Rs. 660 crores to Rs. 3981 crores.

(c) and (d) No, Sir. Administrative expenditure has increased from Rs. 1113 crores to Rs. 1771 crores only from 1982-83 to 1986-87 (BE) as under:—

(*Rs. crores*)

| | 1982-83 | 1986-87 (BE) |
|---|---|---|
| Organs of State | 118 | 199 |
| Tax collection | 188 | 309 |
| Police | 421 | 734 |
| Secretariat | 119 | 183 |
| Other administrative services | 267 | 346 |
| TOTAL | 1113 | 1771* |

The position is, however, kept under constant review and all efforts are made to keep the expenditure to the minimum.

*Expenditure Rs. 300 crores of lump provision for additional dearness allowance to cover the requirements of all services - viz. Defence, Railways, Posts, Telecommunications and other developmental and non-developmental services.

**Statement**

*Non-developmental expenditure of the Central Government from* 1977-78 *to* 1986-87 (*BE*)

(*Rs. crores*)

| Year | Expenditure |
|---|---|
| 1977-78 | 5954 |
| 1978-79 | 6959 |
| 1979-80 | 7844 |
| 1980-81 | 9558 |
| 1981-82 | 10730 |
| 1982-83 | 12902 |
| 1983-84 | 15885 |
| 1984-85 | 18775 |
| 1985-86 (RE) | 23762 |
| 1986-87 (BE) | 25996 |

**Cash Compensatory Support on Finished Leather**

227. SHRI VALAMPURI JOHN: Will the Minister of COMMERCE be pleased to state:

(a) whether Government are aware of the fact that the new scheme of Cash Compensatory Support cuts down the air-freight subsidy of finished leather from 6 per cent to 3 per cent on FOB value;

(b) if so, what steps Government contemplate to improve the export situation;

(c) whether Government are aware of the fear that the Indian finished leather would be outpriced in the international